IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF ALABAMA
EASTERN DIVISION

OHIO CASUALTY   )
INSURANCE COMPANY,   )
)
                    Plaintiff,   )
v.   )   CIVIL ACTION NO. 3:06CV977-MEF
)
MANIFOLD CONSTRUCTION,   )
LLC, et al.,   )
)
                    Defendants.   )

**REPLY TO
COUNTERCLAIM**

Comes now the Plaintiff and, in Reply to the Counterclaim of Defendants

Manifold Construction, LLC, and Jack Manifold, states as follows:

FIRST DEFENSE

1.   It admits the allegations contained in paragraphs 1, 2, 3 (but only that the State

      case was filed in Circuit Court), 4, 5, 6, 7, 8 (but only that the parties engaged

      in mediation), 11, 12, 13 and 14 of the Counterclaim.

2.   It denies the remaining allegations.

SECOND DEFENSE

1.   It pleads the failure and breach of conditions.

THIRD DEFENSE

1.   It pleads waiver and estoppel.

FOURTH DEFENSE

1.   It pleads a material breach.

FIFTH DEFENSE

1.   It pleads the applicable statutes of limitation.

SIXTH DEFENSE

1.   It pleads payment.

SEVENTH DEFENSE

1.   It pleads contributory negligence.

EIGHTH DEFENSE

1.   It pleads the unconstitutionality of the procedures of awarding punitive

damages, and any amounts awarded based on those procedures.

/s/ Christopher Lyle McIlwain, Sr.
Christopher Lyle McIlwain, Sr.
Attorney Code: MCILC 3043
State Code: MCI-002
Attorney for Plaintiff
Ohio Casualty Insurance Company

OF COUNSEL:

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CERTIFICATE OF SERVICE

I hereby certify that on August 16, 2007, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all parties, and I hereby certify that, to the best of my knowledge and belief, there are no non-CM/ECF participants to whom the foregoing is due to be mailed by way of the United States Postal Service.

s/ Christopher Lyle McIlwain, Sr.
Of Counsel